



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Office of the Director

DCCA News Release

LINDA LINGLE
GOVERNOR

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GOVERNOR LINGLE APPROVES NEW CONDOMINIUM LAWS FOR HAWAII

HONOLULU – Department of Commerce and Consumer Affairs (“DCCA”) Director Mark Recktenwald announced that Governor Linda Lingle signed two bills into law today, which make improvements for people who build, sell, buy, manage and live in condominiums.

Act 93 (SB 1132) makes sweeping changes to Hawaii’s 44-year-old condominium property law. The Act increases protections for those purchasing a condominium apartment by expanding the types of disclosures that sellers must make, specifying the contents of the developer’s public report, and clarifying the requirements for binding sales contracts. In addition, the Act clarifies the basis upon which a buyer can rescind a condominium sales contract.

The Act also addresses condominium management issues. It permits electronic delivery of meeting notices, clarifies an association’s borrowing authority and provides a definition of conflict of interest for directors. The Act expressly provides that if a tenant violates association rules, the association will have the power to evict the tenant if the owner fails to do so, after notice and a reasonable opportunity to be heard.

According to Mitchell Imanaka, vice chair of the Hawaii Real Estate Commission, the Act “is long-awaited in the real estate community. Hawaii condominium owners called for these changes and clarifications, and we are pleased that they have been adopted into law.”

Act 93 completes the recodification of condominium property regimes laws started in 2000 under the initiative of the Hawaii Real Estate Commission. Many of the Act's provisions will take effect on July 1, 2005, with the balance taking effect on July 1, 2006.

Act 92 (SB 1345) allows a broader range of condominium disputes to be heard by the Condominium Dispute Resolution Pilot Program ("CDR Pilot Program") within DCCA. Prior to the implementation of Act 92, only certain kinds of condominium disputes could be addressed through the CDR Pilot Program. The new law will take effect on July 1, 2005.

"Under this new law, condominium owners will have an additional forum for resolving their disputes in a less formal, less costly, and more expeditious manner than judicial proceedings," said Director Recktenwald.

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